

2023 Legislative Update

STATE BOARD OF ACCOUNTS

State Budget

- ▶ Budget years are odd numbered years
- ▶ Each budget contains appropriations for two state fiscal years
 - ▶ Majority, state appropriations
 - ▶ 2023 Budget =- Appropriations for FY 24 & FY 25
- ▶ A fiscal year begins July 1st & ends on June 30th of the following year
 - ▶ Example: FY 24= July 1, 2023 through June 30, 2024

Comparison State vs. Local

- ▶ Budgeting at the State
 - ▶ Forecast and Technical Committee
- ▶ Role of The State Budget Agency
 - ▶ On-going review of daily budgeting
- ▶ Role of the State Budget Committee
 - ▶ Review of larger budgetary impacts

HB 1001: State Budget

- ▶ Legislative Development of the Budget
 - ▶ Budget Committee
 - ▶ Governor's Budget
 - ▶ House Budget
 - ▶ Senate Budget
 - ▶ THE END RESULT

HEA1001: Funding

- ▶ READI 2.0--\$500M
- ▶ Public Health (SB 4) --\$225M
- ▶ Community Mental Health (SB 1) -- \$100M
- ▶ Regional Mental Health Facility Grants - -\$10M
- ▶ Economic Development Programs – Over \$180M

HEA1001: Various Provisions

- ▶ State Auditor DBA Comptroller
- ▶ Abstract from AOS to DLGF
- ▶ Opioid Settlement Distributions
 - ▶ Under \$5,000 to County

HEA 1001: Adjustment SBOA Rates

Thank AIM for their support

- ▶ Non-federal taxing unit 50% of the direct and indirect cost of the audit
 - ▶ Not applicable to audits currently in progress
- ▶ Annual review by the Audit Committee
- ▶ As always technical assistance and training by SBOA is without charge

HEA 1040: Requirements Elected Officials

- ▶ Legislative Council Financial Reporting and Audit Subcommittee Proposal
- ▶ Unauditable Units
 - ▶ If SBOA cannot perform an audit due to poor record-keeping, can be deemed unauditable
 - ▶ 90 days to rectify situation on own
 - ▶ Publish list of entities who are declared
 - ▶ Require outside assistance from CPA to assist

HEA 1040: Requirements Elected Officials

- ▶ Annual Conference of unit fiscal officers required
- ▶ Training before elected official or fiscal officer takes office
- ▶ Minimum training requirements
- ▶ Publish list of lack of compliance

HEA 1041: State Board of Accounts

- ▶ Adjustment to Reporting via Compliance Guidelines
- ▶ Reporting malfeasance, misfeasance, or nonfeasance
- ▶ Opt-Out Units Continuation
- ▶ Reporting Releasing
- ▶ Additional Exit Conferences

SEA 3 – Tax Review Task Force

- ▶ Review of Indiana's state and local tax structure
- ▶ Current state of Indiana fiscal position in light of pre-1996 teacher funded status
- ▶ Look at state and local taxes are under review

SEA 317: Contracting & Purchasing

- ▶ Allows for advance payments for goods and services under certain conditions
- ▶ Cannot exceed \$2M or 50% of total cost of project
- ▶ Advance to contractors to enable contractors to purchase materials for public works projects
- ▶ Requirements for Fiscal Officers
 - ▶ Track prepayments
 - ▶ Create prepayment invoice associated with PO
 - ▶ Require insurance or surety bond for amount over \$150K
 - ▶ Note: Review of policies and purchasing authorities/agents

HEA 1055: Public Safety Matters

- ▶ Increases the number of deputies that a town marshal may have participate in the town marshal training program
- ▶ Allows for governing board for NFP hospitals to extend jurisdiction of hospital police officers
- ▶ Removes the ability for municipality to have residency requirements for firefighters and police officers in municipalities with a population of less than 7,500 (residency requirements not allowed)

HEA 1454: LIT Provisions

- ▶ LIT Notification
 - ▶ Adopting Body makes a fiscal decision that affects to underlying local tax unit, required to provide notice by August 1st
 - ▶ Direct notice required within 15 days, proof required to submit to DLGF & DOR
- ▶ LIT Allocation
 - ▶ Revenue distributed to the county of residence for each taxpayer, not county where work

HEA 1454: Other Fiscal Provisions

- ▶ EMS Lit Provisions
 - ▶ Expanded for Counties that do not provide 100% of EMS services
- ▶ Food and Beverage Tax Changes
 - ▶ Annual Reporting Requirements
 - ▶ Future FAB proposals
- ▶ Change in threshold for certain public works
 - ▶ Not cities/Towns, but maybe later
- ▶ Additional TIF Reporting and Managing Requirements

HEA 1591: Various Ed Matters

- ▶ Provisions that requires IARA to study adjustment of retention of various information
 - ▶ Originally educational information, but also other state and local information